

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Zeon Chemicals, USA

Kentucky Manufacturing Assistance Center

Zeon Chemicals Improves Processes With Lean Manufacturing

Client Profile:

Zeon Chemicals, established in 1989, is a branch of the Japan-based Zeon Corporation, a world leader in the production of specialty elastomers. The Louisville, Kentucky plant's 400 employees produce various types of synthetic rubbers for numerous industrial and commercial purposes, including the automotive market.

Situation:

Zeon faced unacceptable production costs and margins associated with its key production line process. The company's objective was to find a cost reduction solution that would achieve an acceptable return-on-sales goal without adjusting the current product mix and volume. After meeting with representatives of the Kentucky Manufacturing Assistance Center (KMAC), a NIST MEP network affiliate, Zeon contracted with the organization for the implementation of select lean manufacturing techniques.

Solution:

To deliver the desired results, KMAC implemented a manufacturing process improvement project for Zeon. KMAC conducted hands-on training simulations to demonstrate the results of applying cost reduction/productivity improvement techniques. Then KMAC led Zeon through a value stream mapping exercise to determine the current and future states, identifying and prioritizing areas for improvement. Zeon employees divided into several cross-functional teams focused on idea generation, testing solutions, and change implementation, and KMAC led them through several hands-on implementations. Finally, KMAC trained Zeon employees in team building, visual workplace organization, and quick changeover. Zeon requested a follow-up project from KMAC to ensure momentum is maintained.

Results:

- Reduced finished goods inventory.
- Reduced work-in-process and space requirements.
- Reduced manufacturing costs by \$400,000.
- Increased cash flow by a reduction in inventory levels of almost 270,000 pounds.
- Improved quality.
- Reduced non-value-added activities.

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Reduced scrap and rework.
Improved employee morale.

Testimonial:

"The Kentucky Manufacturing Assistance Center's professional knowledge and help in implementing lean manufacturing techniques and approaches in our key production process has had an immediate impact. We've been challenged to increase our margin by eliminating non-value-added activities and reducing our finished goods inventory and work-in-process. We have established a plan for reducing our inventory by some 270,000 pounds, which translates to savings of approximately \$400,000. Thanks to KMAC, we expect even greater on-going benefits as we become more proficient and skilled in Lean approaches."

Bill Simpson, Plant Manager